

Message Text

LIMITED OFFICIAL USE

PAGE 01 PARIS 08148 01 OF 02 190024Z

ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 L-03 TRSE-00 LOC-01 /025 W

-----190035Z 128126 /63

R 190045Z MAR 77

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 0807

LIMITED OFFICIAL USE SECTION 01 OF 02 PARIS 08148

E.O. 11652: N/A

TAGS: EIND, EFIN, FR

SUBJ: FRENCH VALUE-ADDED TAX ON ASCAP

REF: STATE 48575

1. BACKGROUND MATERIALS THIS SUBJECT FORWARDED E. J. BEIGEL, EUR/WE, UNDER COVER HARLAN LETTER DATED FEBRUARY 25, 1977. THESE MATERIALS INCLUDED A COPY OF THE KLIMKIEWICZ-KERLAN LETTER, TO WHICH NO RESPONSE OR REACTION RECEIVED AS YET. (NOT SURPRISING, SINCE KERLAN HAS BEEN AWAY FOR MUCH OF THE TIME SINCE LETTER SENT.) (WE RATHER DOUBT THAT HE WILL REPLY IN ANY CASE.)

2. A SURVEY OF OTHER DIPLOMATIC MISSIONS IN PARIS HAS REVEALED GENERAL UNAWARENESS OF PROBLEM WITH EXCEPTION BRITISH AND SWEDES. BELGIAN, DUTCH, GERMAN AND ITALIAN ECONOMIC COUNTERPARTS IN RESPECTIVE EMBASSIES ALL PLEADED IGNORANCE. DUTCH ECON MINISTER SUBSEQUENTLY PHONED BACK TO SAY HE HAD GOTTEN IN TOUCH WITH DUTCH EQUIVALENT OF ASCAP (BUMA) AND HAD LEARNED THAT THEIR FISCAL CONSULTANTS WERE EXAMINING VAT PROBLEM, ABOUT WHICH BUMA IS UPSET. HE NOTED THAT AT MEETING OF INTERNATIONAL FEDERATION OF SACEM IN PARIS ON MARCH 23-24, THIS PROBLEM WILL BE ONE OF MAIN TOPICS ON AGENDA. MEANWHILE, HE SAID, ALL SISTER SOCIETIES WITHIN EEC ARE

LIMITED OFFICIAL USE

PAGE 02 PARIS 08148 01 OF 02 190024Z

REPORTEDLY CONSULTING UNDER BELGIAN LEADERSHIP IN HOPE OF GETTING AGREEMENT ON AN EEC POSITION. ITALIAN ECON MINISTER PHONED BACK TO SAY ITALIAN SOCIETY FACED A THREE MILLION FRANC BILL FOR BACK VAT AND WAS MOST CONCERNED. UK ECON MINISTER WAS AWARE OF VAT PROBLEM, BUT SAID BRITISH GOVERNMENT HAS AS YET NOT DECIDED WHETHER TO MAKE ANY REPRESENTATIONS. SWEDISH EMBASSY'S

LEGAL ADVISER HAS BEEN VESTED WITH THIS PROBLEM FOR SIX MONTHS AND HAS BEEN IN FREQUENT TOUCH WITH MINISTRY OF FINANCE. HIS VIEW IS THAT, AT PRESENT, GIVEN SACEM LETTER OF FEBRUARY 28 (SEE PARA 4 BELOW), BEST POSTURE IS TO WAIT AND SEE WHAT MINISTRY OF FINANCE DECIDES.

3. FEBRUARY 17 MEETING OF ASCAP AND BMI ATTORNEYS WITH EMBASSY OFFICERS MENTIONED REFTEL WAS BASICALLY A BRIEFING BY ATTORNEYS ALONG LINES OF BOYD-ALDRICH LETTER OF FEBRUARY 3 (COPY SENT BEIGEL FEBRUARY 25). MEETING HAD BEEN HURRIEDLY REQUESTED BY ATTORNEYS WHEN THEY LEARNED THAT SACEM HAD FINALLY OBTAINED AN APPOINTMENT FOR THE FOLLOWING WEEK WITH MINISTRY OF FINANCE REPRESENTATIVES AND THAT IT MIGHT BE USEFUL FOR EMBASSIES CONCERNED TO MAKE THEIR INTEREST KNOWN. WE SAID THAT WHILE WE DID NOT BELIEVE WE WERE YET IN POSITION TO MAKE REPRESENTATIONS, WE WOULD BE HAPPY TO MAKE INQUIRIES OF MINISTRY OF FINANCE, SAYING WE HAD JUST LEARNED OF PROBLEM AND WOULD APPRECIATE BEING INFORMED ABOUT PRESENT STATUS OF CASE. THEREAFTER IRS REP KLIMKIEWICZ WROTE TO HIS OPPOSITE NUMBER ON TAX SIDE REQUESTING CLARIFICATION; EMBASSY FINANCIAL OFFICER CALLED CHEF DE CABINET AT MINISTRY OF FINANCE ASKING THAT WE BE KEPT INFORMED OF DEVELOPMENTS IN CASE; AND ECON MINISTER MENTIONED THE QUESTION TO OFFICER CHARGED WITH ECONOMIC/COMMERCIAL AFFAIRS AT ELYSEE.

4. NO CLEAR INDICATION OF LIKELY FINAL OUTCOME HAS BEEN RECEIVED DIRECTLY AS RESULT OF OUR INQUIRIES. WE ARE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 PARIS 08148 01 OF 02 190024Z

TOLD, HOWEVER, THAT THE SACEM MEETING AT THE FINANCE MINISTRY ON FEBRUARY 28 WITH CHEF DE CABINET AND OFFICIALS OF THE DIRECTION GENERALE DES IMPOTS (DGI, DIRECTOR GENERAL OF TAXES) WAS ON BALANCE POSITIVE, WITH DGI AGREEING TO POSTPONE THE COLLECTION OF BACK TAXES SO AS TO PERMIT THOROUGH RECONSIDERATION OF THE ISSUE, WITH POSSIBILITY OF PARTIAL OR COMPLETE FORGOING OF BACK PAYMENTS. IN LETTER DATED FEBRUARY 28 THE SACEM DIRECTOR-GENERAL INFORMED THE DIRECTORS-GENERAL OF THE VARIOUS FOREIGN SOCIETIES CONCERNED OF HIS MEETING AND URGED THEM TO ENCOURAGE FORMAL DIPLOMATIC REPRESENTATIONS TO THE MINISTRY OF FOREIGN AFFAIRS.

5. WE HAVE BEEN ADVISED BY ASCAP ATTORNEY THAT PAUL MARKS, PRESIDENT, ASCAP, PLANS TO BE IN PARIS NEXT WEEK TO ATTEND SACEM MEETING, AND WE EXPECT COMPARE NOTES

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 PARIS 08148 02 OF 02 190022Z
ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 L-03 TRSE-00 LOC-01 /025 W
-----190039Z 128222 /63

R 190045Z MAR 77
FM AMEMBASSY PARIS
TO SECSTATE WASHDC 0808

LIMITED OFFICIAL USE SECTION 02 OF 02 PARIS 08148

WITH HIM THEN. ASCAP ATTORNEY ALSO REPORTED THAT FRENCH
LAWYER REPRESENTING GERMAN SOCIETY SAYS SACEM HAS MADE A
HASH OF THIS MATTER AND THE FOREIGN SOCIETIES ARE GOING
TO HAVE TO GET TOUGH AS A GROUP -- AND WITH SACEM. THE
MEETING NEXT WEEK SHOULD BE A LIVELY ONE.

6. EMBASSY VIEW IS THAT THIS MATTER IS MOVING FORWARD
SATISFACTORILY AND IT IS UP TO THE SOCIETIES TO MAKE
THEIR CASE, NOW THAT A HEARING WITH THE DGI HAS BEEN
ASSURED. WHILE WE HAVE ALREADY MADE OUR INTEREST KNOWN
TO THE GOF, WE HAVE MADE NO FORMAL REPRESENTATIONS TO THE
MINISTRY OF FOREIGN AFFAIRS.

7. ADVICE REQUESTED AS TO WHETHER DEPARTMENT WISHES SUCH
REPRESENTATIONS TO BE MADE. WE WOULD BE INCLINED TO HOLD
THIS STEP IN RESERVE, WAITING TO SEE HOW SITUATION
DEVELOPS, NOW THAT A GENUINE DIALOGUE SEEMS TO HAVE BEGUN
BETWEEN SACEM, THE FOREIGN SOCIETIES, AND THE DGI.

8. INCIDENTALLY, WE BELIEVE ATTORNEYS WITH WHOM DEPART-
MENT REPS MET ON FEBRUARY 24 IN WASHINGTON WERE STEPHEN
BOYD AND JOHN CRAWFORD (NOT CHAMBERLAIN) OF PARIS BRANCH
OF SURREY FIRM, REPRESENTING ASCAP.

GAMMON

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PARIS 08148 02 OF 02 190022Z

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BRIEFING MATERIALS, VALUE ADDED TAXES, TAX COLLECTIONS, ARTISTS, RECORDINGS
Control Number: n/a
Copy: SINGLE
Sent Date: 19-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977PARIS08148
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770094-0156
Format: TEL
From: PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770343/aaaabkqm.tel
Line Count: 170
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 579a5cb5-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 STATE 48575
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 30-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3058599
Secure: OPEN
Status: NATIVE
Subject: FRENCH VALUE-ADDED TAX ON ASCAP
TAGS: EIND, EFIN, FR, US, ASCAP
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/579a5cb5-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009